

## **2007 DRAFTING REQUEST**

### **Assembly Amendment (AA-ASA1-SB40)**

Received: **07/06/2007**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 7-7597**

By/Representing: **Russell**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - dedct/sbtrct**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

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#### **Pre Topic:**

LFB:.....Russell -

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#### **Topic:**

Individual income tax deduction; retirement income; 20 year phase-in

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#### **Instructions:**

See Attached

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#### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	mshovers 07/06/2007	csicilia 07/06/2007	nmatzke 07/06/2007	_____	cduerst 07/06/2007		

FE Sent For:

**<END>**

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1/2	mshovers	1 js 7/6 nwn	7/6	nwn/jf			
1/1	MES	7/6/07	07	7/6			

FE Sent For:

<END>

## Shovers, Marc

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**From:** Russell, Faith  
**Sent:** Friday, July 06, 2007 9:00 AM  
**To:** Shovers, Marc  
**Cc:** Reinhardt, Rob  
**Subject:** CORRECTION to my drafting request

Hi, Marc.

I sent you the wrong starting date for the retirement income draft. Sorry about that. So that you have all the information in one email, I'm re-sending the whole request with the correct dates:

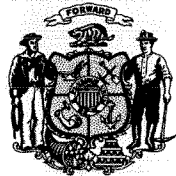
The ARC did pass a retirement income proposal last night. It applies with respect to all retirement income not otherwise exempt for individuals aged 65 and older, subject to a maximum amount that increases annually for 20 more years and then is indexed to growth in Wisconsin per capita personal income. The annual maximums, which are per individual, are as follows:

### Retirement Income Plan

<u>Tax Year</u>	<u>Maximum</u>
2009	\$500
2010	1,000
2011	2,000
2012	3,000
2013	4,000
2014	5,000
2015	6,000
2016	7,000
2017	8,000
2018	9,000
2019	10,000
2020	11,000
2021	12,000
2022	13,000
2023	14,000
2024	15,000
2025	16,000
2026	17,000
2027	18,000
2028	19,000
2029	20,000

Starting in 2030, the maximum amount is to be increased by the annual growth in Wisconsin per capita personal income, as determined by DOR based on the most recent data available from the federal Bureau of Economic Analysis. FYI, Marc, the motion was verbal, so we don't have anything in writing that clearly lays out the expected process for increasing the maximum exemption after 2029. For the adjustment for 2030, we are anticipating it would have to be based on BEA estimates of growth in 2028 over 2027, as 2029 data would not yet be available. We're open to your thoughts on how best to express this concept! Please confirm that you have received this request and let me know if you have questions. Thanks.

**Faith Russell**  
**Fiscal Analyst**  
**Legislative Fiscal Bureau**



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRBb10737

MES

RMR

LFB:.....Russell - Individual income tax deduction; retirement income; 20  
year phase-in

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

§ #. Page 864, line 22: delete lines 22  
and 23 and substitute :

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 864, line 18: delete lines 18 to 23 and substitute

3 "benefit, one of the following amounts of payments or distributions received  
4 each year by an individual, who is at least 65 years of age before the close of the  
5 taxable year to which the exemption claim relates, from a qualified retirement plan  
6 under the Internal Revenue Code or from an individual retirement account  
7 established under 26 USC 408: 21

8 1. For taxable years beginning after December 31, 2008, and before January  
9 1, 2010, \$500.

1           2. For taxable years beginning after December 31, 2009, and before January  
2   1, 2011, \$1,000.

3           3. For taxable years beginning after December 31, 2010, and before January  
4   1, 2012, \$2,000.

5           4. For taxable years beginning after December 31, 2011, and before January  
6   1, 2013, \$3,000.

7           5. For taxable years beginning after December 31, 2012, and before January  
8   1, 2014, \$4,000.

9           6. For taxable years beginning after December 31, 2013, and before January  
10   1, 2015, \$5,000.

11          7. For taxable years beginning after December 31, 2014, and before January  
12   1, 2016, \$6,000.

13          8. For taxable years beginning after December 31, 2015, and before January  
14   1, 2017, \$7,000.

15          9. For taxable years beginning after December 31, 2016, and before January  
16   1, 2018, \$8,000.

17          10. For taxable years beginning after December 31, 2017, and before January  
18   1, 2019, \$9,000.

19          11. For taxable years beginning after December 31, 2018, and before January  
20   1, 2020, \$10,000.

21          12. For taxable years beginning after December 31, 2019, and before January  
22   1, 2021, \$11,000.

23          13. For taxable years beginning after December 31, 2020, and before January  
24   1, 2022, \$12,000.

1 14. For taxable years beginning after December 31, 2021, and before January  
2 1, 2023, \$13,000.

3 15. For taxable years beginning after December 31, 2022, and before January  
4 1, 2024, \$14,000.

5 16. For taxable years beginning after December 31, 2023, and before January  
6 1, 2025, \$15,000.

7 17. For taxable years beginning after December 31, 2024, and before January  
8 1, 2026, \$16,000.

9 18. For taxable years beginning after December 31, 2025, and before January  
10 1, 2027, \$17,000.

11 19. For taxable years beginning after December 31, 2026, and before January  
12 1, 2028, \$18,000.

13 20. For taxable years beginning after December 31, 2027, and before January  
14 1, 2029, \$19,000.

15 21. For taxable years beginning after December 31, 2028, and before January  
16 1, 2030, \$20,000.

17 22. For taxable years beginning after December 31, 2029, the maximum  
18 subtraction amount from the previous year increased by a percentage equal to the  
19 percentage increase in Wisconsin per capita personal income, as determined by the  
20 department of revenue based on the most recent data available from the federal  
21 Bureau of Economic Analysis, comparing the increase between the year for which the  
22 most recent data is available and the previous year.”.

23 **2.** Page 865, line 1: delete lines 1 to 8.

24 (END)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRBb1073/1  
MES:cjs:nwn

LFB:.....Russell - Individual income tax deduction; retirement income; 20  
year phase-in

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

**ASSEMBLY AMENDMENT ,**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 2007 SENATE BILL 40**

1           At the locations indicated, amend the substitute amendment as follows:

2           **1.** Page 864, line 18: delete lines 18 to 21 and substitute "benefit, one of the  
3           following amounts of payments or distributions received each year by an individual,  
4           who is at least 65 years of age before the close of the taxable year to which the  
5           exemption claim relates, from a qualified retirement plan under the Internal  
6           Revenue Code or from an individual retirement account established under 26 USC  
7           408:".

8           **2.** Page 864, line 22: delete lines 22 and 23 and substitute:

9           "1. For taxable years beginning after December 31, 2008, and before January  
10          1, 2010, \$500.

1           2. For taxable years beginning after December 31, 2009, and before January  
2   1, 2011, \$1,000.

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10       1, 2027, \$17,000.

11            19. For taxable years beginning after December 31, 2026, and before January  
12        1, 2028, \$18,000.

13            20. For taxable years beginning after December 31, 2027, and before January  
14            1, 2029, \$19,000.

15           21. For taxable years beginning after December 31, 2028, and before January  
16       1, 2030, \$20,000.

22. For taxable years beginning after December 31, 2029, the maximum subtraction amount from the previous year increased by a percentage equal to the percentage increase in Wisconsin per capita personal income, as determined by the department of revenue based on the most recent data available from the federal Bureau of Economic Analysis, comparing the increase between the year for which the most recent data is available and the previous year.”.

23 **3.** Page 865, line 1: delete lines 1 to 8.

24 (END)